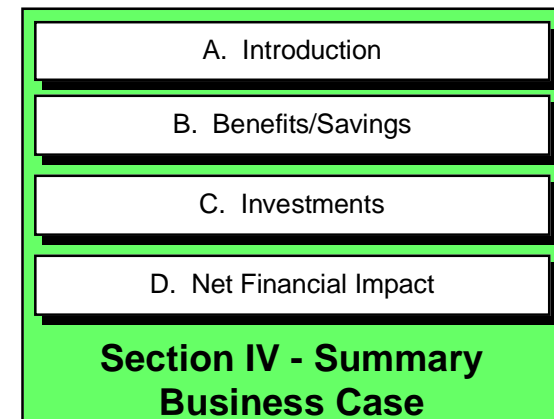
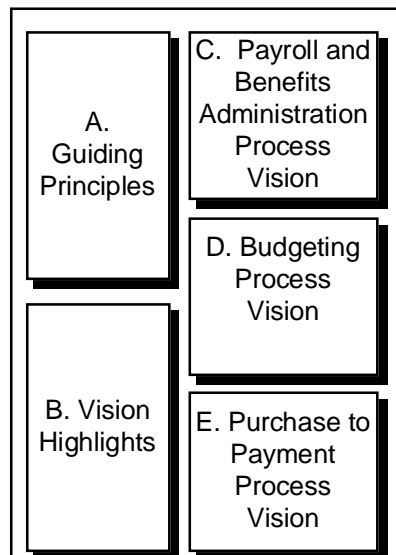
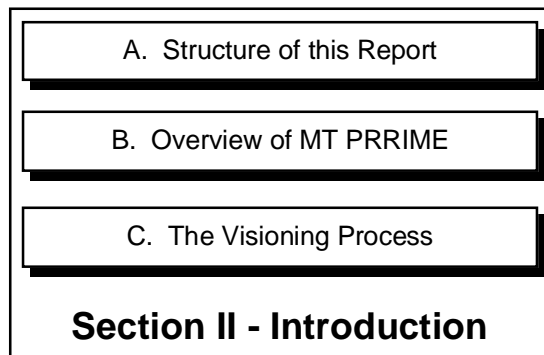


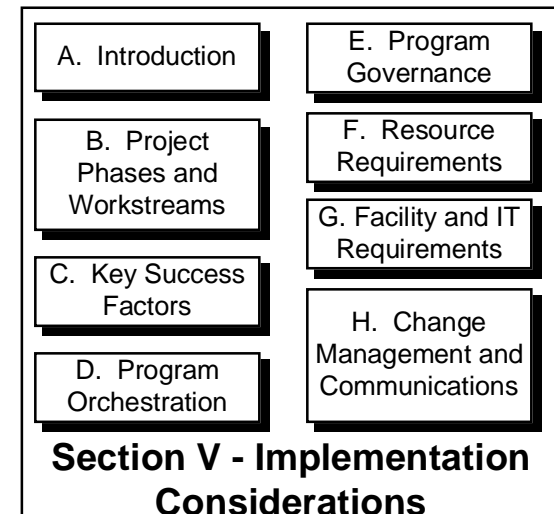
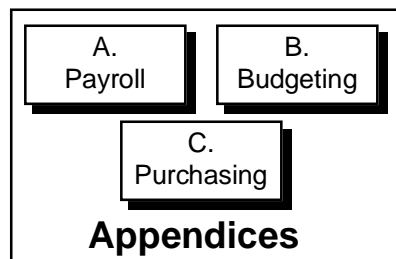


Section IV - Summary Business Case

Section I - Executive Summary



Section III - Emerging MT PRRIME Vision



A. Introduction

This section presents the business case for MT PRRIME. While the business case in the Change Imperative Report was intended to demonstrate the magnitude of the opportunities, the purpose of this business case is to illustrate the specific benefits associated with MT PRRIME and to demonstrate that the project is self-funding.

The business case presents the non-quantifiable benefits that will result from implementation. The business case also includes a summary level analysis of the financial benefits and investments and net financial impact of MT PRRIME.

The business case is important because:

- There will be a requirement to justify the expenditures made to MT PRRIME to legislators and taxpayers.
- There is a requirement for MT PRRIME to be self-funding and pay back the technology investment. The business case will illustrate the net financial impact of the vision and will point to specific areas where savings could be realized and potentially applied to payback.
- There is a need to monitor and report on progress towards achieving the anticipated benefits (i.e. it is important to track whether the time to develop a budget has been shortened).

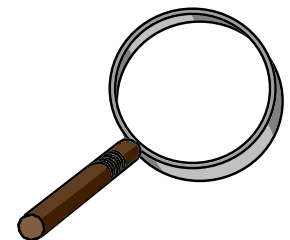




A. Introduction

When reviewing the business case, the following factors need to be considered:

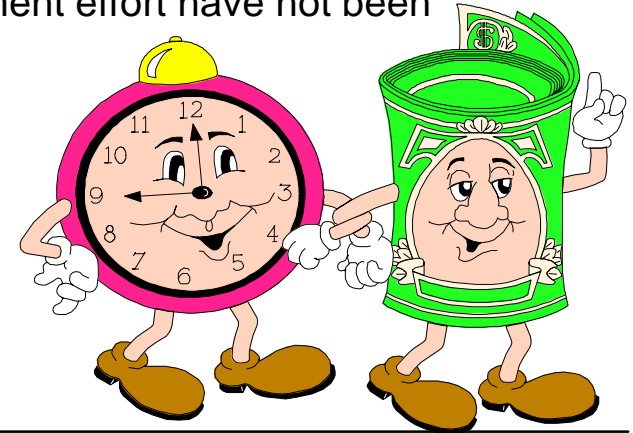
- Quantification of savings will facilitate system and process improvements as this information will identify specific areas where savings might be obtained.
- There may be a requirement to reallocate resources to new activities or to increase resources in key areas where functionality is increasing (i.e. strategic planning).
- Only one aspect of benefits and savings is associated with employee effort. The majority of savings is associated with program or operating costs.
- Identifying savings does not mean that it would either be desirable or possible to extract these resources. For example, an individual may spend a very small percentage of time purchasing goods and although time and effort would be saved, this saving would not be extractable.
- Quantifiable savings have only been identified for the three selected process areas and other process areas that have not yet been fully explored will likely yield additional benefits.
- The redesign and implementation of Administrative Services process areas will yield significant savings that could be reallocated to other programs or services.
- Over the course of the project, benefits and costs will become more defined as greater precision is gained through redesign and implementation.



A. Introduction

A number of assumptions have been made in developing this business case.

- Savings and investment figures are estimates only and are based on a full and complete implementation of the visions.
- In some cases, the business case uses ranges where it is not possible to identify specific figures at this point in the project. These numbers will be refined as implementation progresses and specific savings are realized or investments are incurred.
- The Year 2000 Cost Avoidance saving and MT PRRIME System cost is an estimate from Phase One.
- Program costs have been identified as an important savings category as improvements in the process should facilitate savings to program budgets (i.e. greater use of term contracts will result in more bulk buys and cost savings of purchased goods).
- Implementation project costs are based on 29 FTEs at an average salary of \$32,000 for 18 months.
- Impacts on federal funding levels have not been calculated or included.
- The costs associated with additional visioning and the procurement effort have not been included.
- Training costs were estimated at \$500/day and include all direct costs.
- System operating costs will remain at current levels.
- The investment associated with the MT PRRIME System will likely result in additional benefits and savings in other process areas that have not been estimated in this business case.



B. Benefits/Savings - Non-Quantifiable Benefits



Many of the benefits associated with MT PRRIME are not quantifiable due to their cross-agency nature or intangible impacts. These benefits will result from the full implementation of MT PRRIME.

- **Improved service to customers** - One of the most important benefits but the hardest to quantify is the provision of timely, accurate and relevant information when and where it is needed, to support better decision-making. Shorter cycle times and user-friendly processes will also result in improved customer satisfaction.
- **Empowered employees** - Employees will be delegated the appropriate authority levels to allow them to carry out their jobs faster and easier, without undue interference. This increased emphasis on trust should decrease frustration levels and improve employee morale.
- **An enterprise perspective** - New processes and systems will support a consistent statewide perspective. This perspective will reduce the costs of duplication, improve communication, enhance accountability and promote longer term and broader management practices.
- **Reduced paper burden** - Increased automation and the use of online edits and reporting will significantly reduce the use and storage of paper by state employees. This will also facilitate fewer hand-offs and levels of approval.
- **Improved sharing of information** - Agencies will no longer duplicate core information and this information will be easily shared.



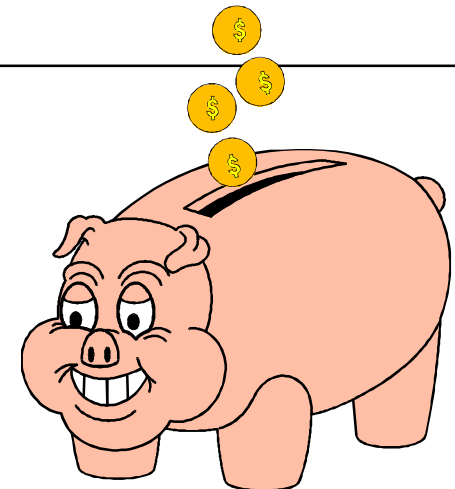


B. Benefits/Savings - Quantifiable Benefits

	One-Time	Annual
Year 2000 Cost Avoidance	\$957,000	
Other Quantifiable Benefits		
-Payroll and Benefits Administration		\$1,500,000-\$1,800,000
-Budgeting		\$ 680,000-\$1,360,000
-Purchase to Payment		\$10,060,000-\$14,810,000

TOTAL SAVINGS:

One-Time: \$957,000
Annual: \$12,240,000 to \$17,970,000



C. Investments

	One-Time	Annual
MT PRRIME System	\$16,000,000	Reallocate current Funding
Other Investments		
-Payroll and Benefits Administration	\$850,000-\$1,250,000	n/a
-Budgeting	\$250,000-\$500,000	\$280,000-\$620,000
-Purchase to Payment	\$2,720,000-\$3,400,000	
Implementation Project		
-State Employees	\$1,392,000	n/a
-Facility	\$ 100,000	n/a

TOTAL INVESTMENTS:

One-Time: \$21,312,000 to \$22,642,000

Annual: \$280,000 to \$620,000



D. Net Financial Impact

	One-Time	Annual
Quantifiable Savings -Year 2000 Cost Avoidance -Selected Process Areas Investments -MT PRRIME System -Implementation Project -Selected Process Areas	\$ 957,000 \$16,000,000 \$ 1,500,000 \$ 3,820,000-\$5,150,000	\$12,240,000 to \$17,970,000



NET FINANCIAL IMPACT:

One-Time Investment of \$20 million to realize an annual savings of \$15 to \$20 million.